

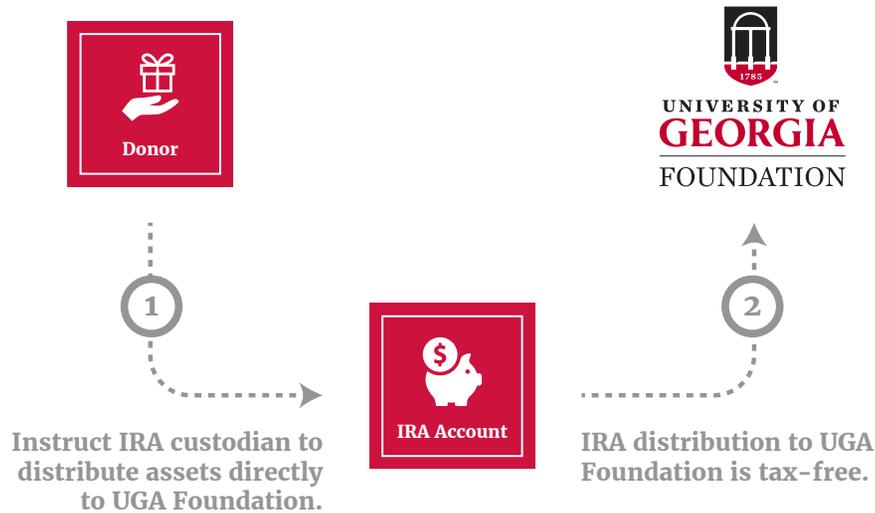
# IRA CHARITABLE ROLLOVER



Protecting Americans from Tax Hikes Act of 2015 extends the charitable IRA Rollover, also known as qualified charitable distribution (QCD) with no expiration date. Below you will find an overview of this charitable gift option.

## How does this work?

Individuals age 70 1/2 years old or older can irrevocably transfer up to \$100,000 per year directly to qualified charities from a traditional or Roth IRA. The transfer will be excluded from taxable income and may satisfy the donor's required minimum distribution for the year.



## Potential Benefits:

- Reduce your taxable income even if you do not itemize deductions.
- Make a gift that is not subject to the 50%/30% annual charitable deduction limitations.
- May satisfy your required minimum distributions for the year.
- Makes it easy for you to use IRA assets to make cash gifts during your lifetime.

## Requirements:

- Donor must be 70 1/2 or older at time of transfer.
- The funds must be transferred directly from the IRA to charity.
- Amount cannot exceed \$100,000 annually.
- Transfer must be made to one or more qualified charitable organizations such as the "University of Georgia Foundation" (donor advised funds, private foundations and supporting organizations do not qualify).
- Rollovers typically must be from a traditional or Roth IRA.
- Donor cannot receive benefits in exchange for the gift.

## Next Steps:

- Download the "Sample Letter to Custodian" located on the Resources tab at [plannedgiving@uga.edu](mailto:plannedgiving@uga.edu) which can be used as a template for initiating the IRA charitable rollover.
- Download the "Sample Letter to Foundation" located on the Resources tab at [plannedgiving@uga.edu](mailto:plannedgiving@uga.edu) and use as a template to notify the Foundation of the incoming transfer.
- A receipt will be issued that complies with IRS guidelines confirming receipt of your IRA charitable rollover gift.

[plannedgiving@uga.edu](mailto:plannedgiving@uga.edu)

# IRA CHARITABLE ROLLOVER



## FREQUENTLY ASKED QUESTIONS

### **Is an income tax deduction available for a rollover gift?**

No. The gift is excluded from income, therefore providing a deduction would be an additional tax benefit.

### **What happens if the amount donor transfers exceeds \$100,000?**

The total amount that qualifies for treatment as a qualified charitable deduction each year is \$100,000. For example, if you transfer \$100,000 to the University of Georgia Foundation and an additional \$100,000 to another charity, only \$100,000 of your total \$200,000 in giving will qualify for treatment as an IRA charitable rollover. Rollover amounts that exceed \$100,000 will be added to taxable income.

### **Are other retirement plans like 401(k) or 403(b) eligible for the IRA charitable rollover option?**

No. The provision only applies to owners of a traditional or Roth IRA. Other retirement plans such as 401(k) or 403(b) are not eligible. However, you may be able to roll 401(k) or 403(b) funds into a traditional IRA to take advantage of the charitable IRA rollover option. Discuss with your plan administrator to find out if this is an option for you.

### **How does this gift impact required minimum distributions (RMD)?**

If you have not already taken your RMD in this calendar year, an IRA charitable rollover may count towards satisfying this requirement.

### **Can an IRA rollover be used to pay on a pledge?**

Yes. Since IRA funds are owned by the IRA owner, they may be used to fulfill a pledge.

### **Can a donor use an IRA charitable rollover to fund a charitable gift annuity or charitable remainder trust?**

No. Charitable remainder trusts and charitable gift annuities are not eligible to receive IRA charitable rollover distributions.

This document is not intended as legal or tax advice. Please seek the advice of competent counsel to determine applicability of the above to your own personal circumstances.

**University of Georgia**  
Office of Gift and Estate Planning  
Athens, Georgia 30602  
ugalegacy@uga.edu  
p: (706) 542-8140  
f: (888)-313-8802

